

Rep. Peter Welch, the House leader on credit and debit card swipe fee reform, issued the below statement following the announcement of a settlement among Visa, MasterCard, several large banks, and retailers over excessive credit card interchange or "swipe" fees.

"This proposed settlement does not solve the problem of excessive fees or the opaque business practices of these financial institutions, but it is a step in the right direction. And it should send an unambiguous message to big banks and credit card companies: Stop ripping off your customers with excessive fees.

"Credit card companies and big banks have been overreaching for years on swipe fees simply because they could. With no one watching, they have been charging the highest fees in the world and running up billions of dollars in profits on the backs of small businesses and their customers.

"No one would begrudge them for charging fair and transparent fees for the convenience of credit card services. But greed took over and they now have their hands deep in the pockets of merchants and consumers. In the aftermath of this lawsuit, they should take a step back and change their business model. Failing to do so will be a costly mistake."

Welch worked closely with Sen. Dick Durbin (D-Ill.) to include key reforms in the Dodd-Frank financial regulation reform law. The new law authorized the Federal Reserve to establish fair and reasonable swipe fees for debit cards.